

November 6, 2017

Transport Corporation (TRACOR)

₹ 290

Robust quarter; outperformance to continue!

- Revenues grew 16% YoY (up 5% QoQ) to ₹ 520.3 crore (I-direct estimate: ₹ 469.4 crore). Growth was mainly driven by supply chain division, which grew 21% YoY to ₹ 234 crore (44% of overall revenues) compared to our estimate of ₹ 203.8 crore. Freight segment continued its growth momentum (up 4% YoY) with revenues at ₹ 230.5 crore (I-direct estimate: ₹ 225.9 crore). Enhanced capacity utilisation continues to drive shipping revenues, which grew 52% YoY to ₹ 57.9 crore (I-direct estimate: ₹ 41.7 crore)
- Higher operating costs (up 16.3% YoY) and staff costs (up 18% YoY) were completely offset by flattish other expenses. The resultant EBITDA margins remain flattish YoY (up 53 bps) at 9.6%. Lower staff costs were completely offset by higher operating and other costs. The resultant EBITDA grew 16% YoY (up 11% QoQ) to ₹ 50.1 crore
- Robust operational growth driven by revenue was further accelerated by higher other income at ₹ 7.1 crore vs. ₹ 1.9 crore in Q2FY17. However, this was partly offset by higher depreciation (up 28% YoY) and interest expenses (up 8% YoY). Subsequently, PAT grew 30% YoY (up 45% QoQ) to ₹ 25.5 crore (I-direct estimate: ₹ 18.1 crore)

360° approach - Preferred logistics partner...

Incorporated in 1958, as a "One Man, One Truck, One Office" company, TCI has over the years been successfully able to progress within its division both internally, externally across boundaries to serve businesses among various industry verticals. From multi-modal transportation (road, rail, air, sea) to express delivery solutions, from freight forwarding and customs clearances to warehouse management services, TCI provides the entire gamut of supply chain services from the point of origin to the final end customer. Leveraging its domain knowledge of the length, breadth of India, TCI manages an infrastructure network of 1400 company owned offices, 9000 trucks, trailers, reefer vehicles and a branch network of over 1,100 company-owned offices. Apart from surface logistics, TCI-Concor JV provides regular piecemeal container movements and full rake movements on dedicated routes. Moreover, TCI manages five ships (37360 DWT) providing dedicated coastal shipping services across the eastern, western coast. Although these businesses operate as individual entities and have mandated key result areas (KRAs), they create synergy offering customised, cost optimised logistics services to a wide range of domestic, international clients.

GST enabling transformation; TCI at the forefront...

Albeit at lower pace, inefficiencies in the logistics sector (13% cost of total GDP) are expected to decline. Post GST implementation, TCI has been receiving a number of requests from its clients to assist effectively and efficiently to manage their distribution network. Unlike earlier when manufacturers were forced to set up many small warehouses across multiple cities, TCI is providing assistance. For some clients, it is even setting up big warehouses region wise that could be followed by a hub-and-spoke model. The hubs would facilitate freight movement from the warehouses to the different manufacturing plants. However, spokes would extend transportation to wholesale outlets, retail outlets and the various point of sales (PoS). Given the higher trend in business volumes, TCI expects growth momentum to continue in H2FY18. We believe that given its unique business model TCI would continue its industry leading growth, thereby maintaining **BUY** rating with a target price of ₹ 335.

Rating matrix		
Rating	:	Buy
Target	:	₹ 335
Target Period	:	12 months
Potential Upside	:	16%

What's changed?	
Target	Unchanged
EPS FY18E	Unchanged
EPS FY19E	Unchanged
Rating	Unchanged

Quarterly performance					
	Q2FY18	Q2FY17	YoY (%)	Q1FY18	QoQ (%)
Revenue	520.3	450.4	15.5	496.9	4.7
EBITDA	50.1	43.3	15.7	45.2	10.8
EBITDA (%)	9.6	9.6	2 bps	9.1	53 bps
PAT	25.5	19.7	29.5	17.6	44.9

Key financials				
₹ Crore	FY16	FY17	FY18E	FY19E
Net Sales	1,727	1,943	2,229	2,558
EBITDA	129.4	162.0	199.5	254.5
Net Profit	87.2	81.7	102.0	145.9
EPS	11.5	10.7	13.3	19.0

Valuation summary				
	FY16	FY17	FY18E	FY19E
P/E (x)	49.4	33.8	26.4	17.7
EV/EBITDA (x)	18.7	15.3	12.1	9.4
P / BV (x)	3.8	3.4	3.0	2.8
RONW (%)	7.8	10.2	11.5	15.9
ROCE (%)	9.2	10.7	13.6	18.0

Stock data	
Particular	Amount
Market Cap. (₹ cr)	2298
Total Debt (FY17) (₹ Crore)	379.5
Cash and Investment (FY17) (₹ Crore)	18.7
EV (₹ Crore)	2,658.8
52 week H/L	234 / 350
Equity Capital (₹ Crore)	15.3
Face Value (₹)	2.0

Price performance				
	1M	3M	6M	12M
Blue Dart Exp.	0.3	-1.4	-12.9	-19.7
Gati	14.6	6.5	-9.4	-14.0
Transport Corp.	7.4	-3.4	14.3	57.3
VRL Logistics	3.5	15.1	11.2	32.8

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Variance analysis

	Q2FY18	Q2FY18E	Q2FY17	YoY (%)	Q1FY18	QoQ (%)	Comments
Revenue	520.3	469.4	450.4	15.5	496.9	4.7	SCS now forms a large portion of the business contributing 45% of overall revenues. Shipping now contributes 11% to the topline
Operating Expenses	417.5	374.6	359.0	16.3	398.1	4.9	
Employee Expenses	29.6	28.9	25.1	18.1	28.7	3.3	
Administrative & Oth Expenses	23.2	23.7	23.1	0.1	25.0	-7.2	
Total Expense	470.3	427.2	407.2	15.5	451.7	4.1	
EBITDA	50.1	42.2	43.3	15.7	45.2	10.8	Robust revenue growth resulted in EBITDA growth
EBITDA Margin (%)	9.6	9.0	9.6	2 bps	9.1	53 bps	
Depreciation	17.5	15.4	13.7	27.7	16.0	9.4	
Interest	7.4	7.2	6.8	8.2	7.8	-5.7	
Other Income	7.1	3.1	1.9	280.2	0.9	656.4	Higher on account of dividend income received JV
Exceptional Gain/Loss	0.0	0.0	0.0	0.0	0.0	0.0	
PBT	32.3	22.6	24.6	31.2	22.3	44.8	
Total Tax	6.7	4.5	4.9	0.0	4.7	0.0	Lower tax expenses on account of shipping business
PAT	25.5	18.1	19.7	29.5	17.6	44.9	PAT growth remains robust

Key Metrics	Q2FY18	Q2FY17	YoY	Q1FY18	QoQ	
Freight Division	230.5	221.4	4.1	243.6	-5.4	
Supply Chain Solutions	233.9	194.1	20.5	198.4	17.9	Price increase (higher diesel costs) resulting in improved growth
Seaways	57.9	37.9	52.9	58.1	-0.3	Higher utilisation on a ship resulting YoY growth

Source: Company, ICICIdirect.com Research

Change in estimates

(₹ Crore)	FY18E				FY19E				Comments
	FY17	Old	New	% Change	Old	New	% Change		
Revenue	1,942.5	2,228.6	2,228.6	0.0	2,557.8	2,557.8	0.0	Maintain our growth estimates	
EBITDA	162.0	199.5	199.5	0.0	254.5	254.5	0.0		
EBITDA Margin (%)	8.3	9.0	9.0	0 bps	9.9	10.0	0 bps	Maintain our margin estimates	
PAT	81.3	102.0	102.0	0.0	145.9	145.9	0.0		
EPS (₹)	16.3	13.3	13.3	0.0	19.0	19.0	0.0		

Source: Company, ICICIdirect.com Research

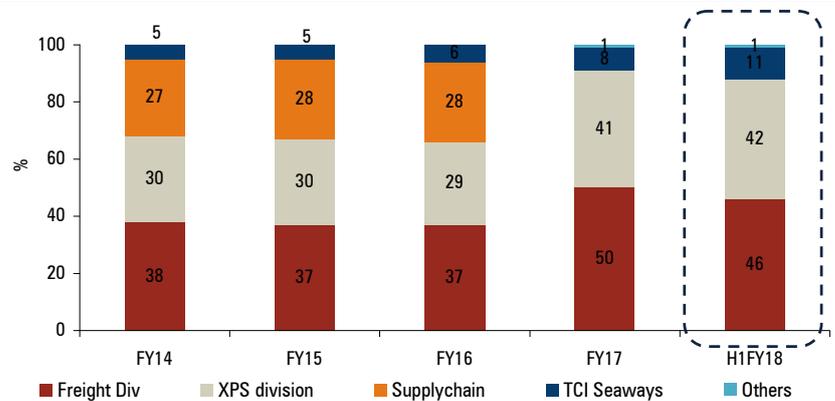
Company Analysis

High margins SCS overtaking freight business...

The demerger of TCI's express division has led the freight business to become the biggest contributor of overall revenues. Revenues for the freight division have grown at a CAGR of 3% in FY10-16. However, due to a consolidated entity, the management was unable to focus on the business leading to lower growth rate. Post demerger, FY17 revenues of freight division posted growth of 9% YoY to ₹ 1059 crore compared to ₹ 971 crore in FY16. However, for H1FY18, supply chain (SCS) business grew 18% YoY to ₹ 432.3 crore compared to ₹ 366.2 crore in H1FY17. The contribution to total earnings from SCS was at 42.2% compared to 41.5% in H1FY17.

Although freight contributes half to overall revenues, the EBIT contribution of the same is mere 20%. Enhanced contribution from the high margin business (SCS) may lead PAT growth to supersede revenue growth. Over FY17-19E, we expect topline growth of 15% CAGR to ₹ 2557.8 crore in FY19E compared to ₹ 1942 crore in FY17.

Exhibit 1: Freight biggest contributor to revenues...



Source: Company, ICICIdirect.com Research

Indian logistics sector on cusp of change; multi-modal theme remains key

The logistics sector is expected to witness a remarkable turnaround led by rollout of GST, revival in domestic macro, exponential growth in e-commerce, higher infrastructure spending in roads projects, fast tracking of Dedicated Freight Corridor (DFC) and initiatives like Make in India. Further, the Centre has identified 35 clusters, which account for half of total freight movement, for building logistics parks to improve the existing transportation and warehousing scenario in the country. The proposed multimodal logistics parks would reduce transportation cost by 10% for industries in the 35 clusters, thereby enabling freight movement on higher sized trucks and rail. Increased freight movement on higher sized trucks and rail will result in reduction in freight vehicles.

Multimodal transport refers to the seamless transport of cargo from one point to another via more than one mode of transport. Multimodal Logistics can be viewed as "the chain that interconnects different links or modes of transport – air, sea, and land into one complete process that ensures an efficient and cost-effective door-to-door movement of cargo under the responsibility of a single transport operator, known as a multimodal transport operator (MTO). The government's new initiative, which includes Dedicated Freight Corridor (DFC), Sagarmala and Bharatmala would further benefit. In addition, shifting warehouses and wholesale markets, which is currently being operated inside the city, to logistics parks would free up urban spaces and further reduce warehousing costs.

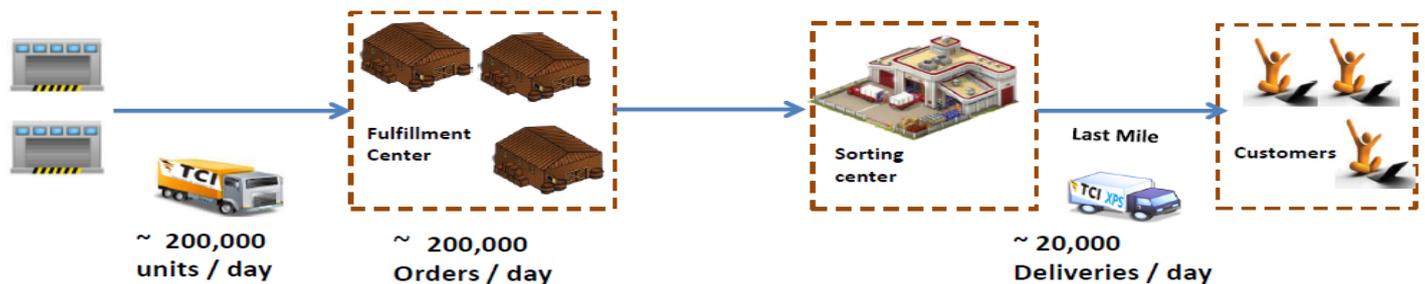
GST to bring in higher efficiencies, improve profitability...

The Indian logistics industry was plagued by multiple levels of state and central taxes. The product was prone to double taxation as taxes already paid on inputs are not adjusted on calculation of taxes on the final product. Further complications were in the form of interstate transactions that are taxed separately, for which no input tax credit was available. GST has simplified these complications and benefited consumers, producers and the government. More than 140 markets have implemented GST in some form or the other. With numerous benefits at both firm/consumer and economy level, GST is expected to add over 1% to the GDP. Implementation of GST will lead to a simplified tax structure with a majority of taxes pooled under one uniform rate, thereby bringing more efficient tax administration and reduction in tax leakages.

Due to multiple taxation, firms had resorted to setting up multiple warehouses in different states. This was adding to firm's costs, as they were unable to take advantage of economies of scale from using larger but fewer warehouses. Implementation of GST will overhaul and compress the entire transportation setup. It is estimated that under the GST system, tax will be levied on stock transfers and full credit will be given to inter-state transactions. The outcome of the same will enable the manufacturer to plan the warehousing and decisions on the basis of operational and logistics efficiency. The current supply chain arrangements would be realigned making certain proximity to manufacturing locale or consumption markets, resulting in diverse hub and spoke models. Post GST, demand for warehousing is expected to grow at an annual rate of 9% from current 918 mn sq ft to 1440 mn sq ft.

TCI is one of the largest integrated players with an approximate market share of 15% in the organised logistics industry. With a fleet of nearly 9000 trucks, trailers, reefer vehicles and a branch network of over 1,100 company-owned offices, TCI services ~18000 pin codes in India. Furthermore, the company provides warehousing and e-fulfilment services with an approximate warehousing capacity of 10.5 mn sq ft. In addition to the same, TCI also manages coastal shipping with an owned fleet of four ships. Given the variety of services and multi-modal capabilities, TCI manages to maintain cost efficiencies and competitive positioning compared to other players in the logistics market.

Exhibit 2: Supply chain model; TCI present across all touch points....



1. At Supplier

- i Supplier Coordination
- ii Scheduling
- iii Route optimization

2. Fulfilment Center

- i Receipts Cubiscan, Put away
- ii Order , Pick , Pack ,
- iii Sort and Ship
- iv C Returns/ RTO
- v Return To Vendor

3. Sorting Center

- i Cubiscan
- ii Sort and Ship
- iii C Returns/ RTO

Source: Company, ICICIdirect.com Research

Outlook and Valuation

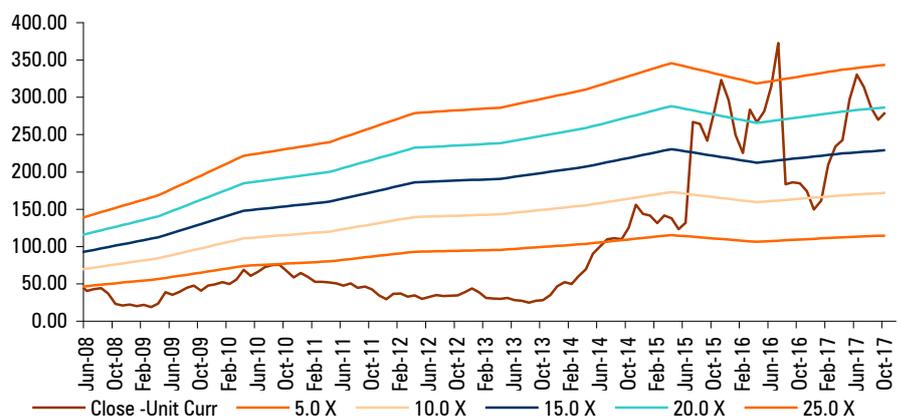
TCI's freight division forms nearly 50% of overall revenues. However, in terms of profitability supply chain and seaways being high margins contributes ~75% of the total profitability.

As we segregate the earnings of each division, we find freight segment earnings continuing to decline amid a worsening economic scenario and lower utilisation levels. The freight segment EPS declined from ₹ 2.3 in FY11 to ₹ 1.7 in FY17. However, going ahead, with a recovery in trade scenario and higher focus on the LTL business, we expect utilisation and realisation levels to improve. Furthermore, passage of GST would enable a moderate recovery in the company's freight business. We roll over our estimates to FY19 and expect revenues for freight division to improve at a CAGR of 10% over FY17-19E. Improvement in utilisation levels coupled with efficiencies of GST would result in profitability grow faster than revenues. Subsequently, we expect freight division to report an EPS of ₹ 3.2 in FY19E. Growth rates appear optically higher due to lower base impact. However, as GST would bring in improved efficiencies in the division, we assign a PE to 15x (vs. 10x earlier) FY19E EPS arriving at a fair value of ₹ 48/share (vs. ₹ 32/share earlier) for this business.

Post de-merger, the SCS segment now contributes 41% of the remaining business. Supply chain provides inbound/outbound logistics solutions from conceptualisation designing network to implementation across all sectors like auto, retail, telecom, electricals, pharmaceuticals, FMCG and cold chain. The auto sector currently contributes ~75% of its total revenues. Given the boom in auto sector, supply chain revenues grew at 20% CAGR in FY10-17. However, we believe the same will grow at 20% CAGR in FY17-19E. With better synergies flowing in the business due to consolidation of warehouses, the margins of this business are expected to improve 150-200 bps. Consequently, EPS from SCS is expected at ₹ 8 in FY19E. We upgrade our P/E multiple to 25x (vs. 20x earlier) for supply chain, to arrive at a fair price of ₹ 201/share.

TCI's Seaways post de-merger contribute 12% to overall business. Addition of new ships, extending the services to new routes would continue to drive growth in the segment. Going ahead, we expect EPS for TCI Seaways at ₹ 5.7 in FY19E. Shipping division plays a crucial role for goods transported to a distance of more than 1000 km. Moreover, with the government emphasis on coastal shipping & cost synergies provided in multi-modal offering, we assign a P/E multiple of 15x (vs. 10x earlier) FY19 EPS to arrive at fair price of ₹ 85 for the segment. Subsequently, on an SOTP basis, we arrive at a target price of ₹ 335 and recommend **BUY**.

Exhibit 4: P/E



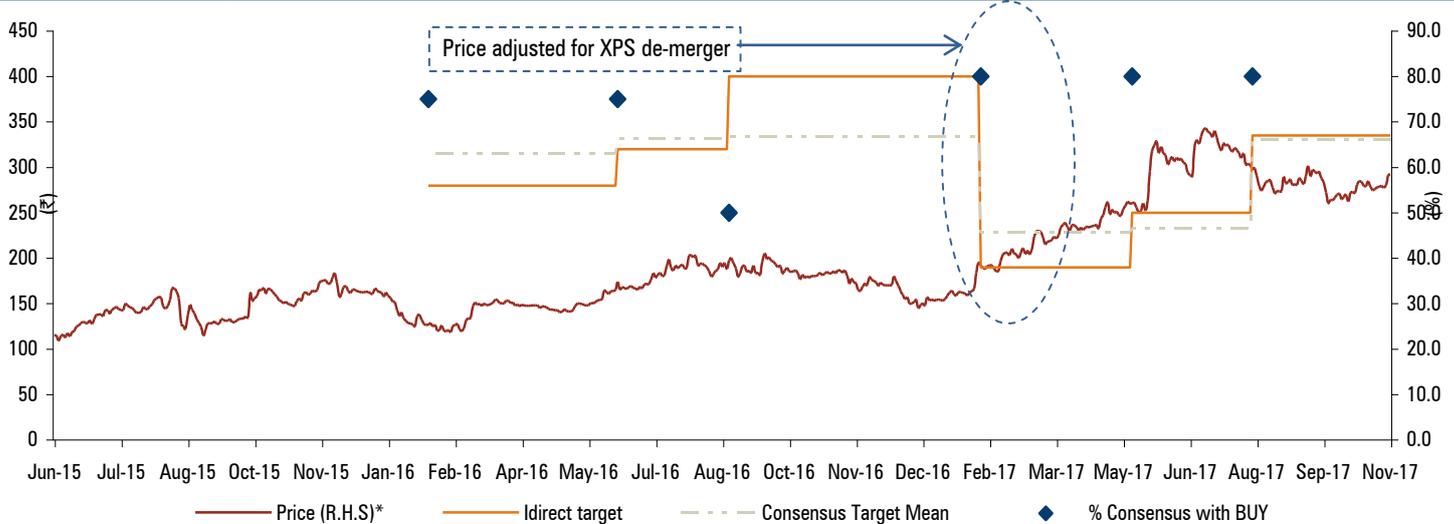
Source: Company, ICICIdirect.com Research

Exhibit 3: Valuation

Valuation			
Segment	FY19E EPS (₹)	P/E(x)	Fair Price(₹)
Freight	3.2	15	48
Supply Chain	8.0	25	201
Seaways	5.7	15	85
SOTP			335

Source: Company, ICICIdirect.com Research

Recommendation history vs. Consensus estimate



Source: Bloomberg, Company, ICICIdirect.com Research, * price adjusted for de-merger of Express division

Key events

Date	Event
Aug-08	TCI plans to enter real estate and have pan-India presence
Jan-09	Net profit rises 149% for Q3FY09
Oct-10	Demerger of real estate & warehousing division TCI Developers Ltd
Jun-11	TCI scouts for buys in supply chain business
Jul-11	TCI enters into JV with Concor to provide ocean freight carrier service under the company named Infinite Logistics Solution
May-13	TCI records 24% growth in net profit YoY
Jan-14	Radhakrishna Damani picks up 3.6% stake in TCI
May-14	Strong results (48% YoY growth in net profit) for March 2014 propel further investor interest in the stock
Oct-15	Announces de-merger of express business
Jan-16	Reports Q3FY16 results. Earnings remain muted. EBITDA margins at 8%. Management guidance of 0-5% growth in FY16
May-16	Reports Q4FY16 results. De-merger of XPS expected in August. EBITDA margins stood at 8.8%. Guidance for double digit revenue & PAT growth in FY17

Source: Company, ICICIdirect.com Research

Top 10 Shareholders

Rank	Name	Latest Filing Date	% O/S	Position (m)	Change (m)
1	Bhoruka Finance Corporation of India, Ltd.	30-Sep-17	0.21	15.9	0.0
2	Bhoruka International Pvt. Ltd.	30-Sep-17	0.14	10.6	0.0
3	TCI Group	30-Sep-17	0.08	6.4	0.0
4	Agarwal (Dharpal P.)	30-Sep-17	0.08	5.8	0.0
5	Agarwal (Chander)	30-Sep-17	0.03	2.1	0.0
6	Canara Robeco Asset Management Company Ltd.	30-Sep-17	0.03	2.1	0.1
7	Agarwal (Dharpal) HUF	30-Sep-17	0.03	2.0	0.0
8	Arcee Holding, Ltd.	30-Sep-17	0.03	2.0	0.0
9	Agarwal (Vineet)	30-Sep-17	0.03	2.0	0.0
10	Agarwal (Priyanka)	30-Sep-17	0.03	1.9	0.0

Source: Reuters, ICICIdirect.com Research

Shareholding Pattern

(in %)	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17
Promoter	66.1	66.1	66.1	66.1	66.1
FII	4.9	7.6	7.9	5.4	2.3
DII	9.0	6.2	6.0	8.9	8.9
Others	20.0	20.1	20.1	19.7	22.7

Recent Activity

Buys			Sells		
Investor name	Value	Shares	Investor name	Value	Shares
Bang (Sangeet Nirmal)	3.12	0.87	Kumar (Bhaiya Sumit)	-0.05	-0.01
Canara Robeco Asset Management Company Ltd.	0.23	0.06	Kanagala (Rajkiran Jayaram)	-0.01	0.00
Florida State Board of Administration	0.02	0.01	Mellon Capital Management Corporation	-0.01	0.00
Allianz Global Investors U.S. LLC	0.01	0.00	Agarwal (Krishan Kumar)	0.00	0.00
			Gupta (Naveen)	0.00	0.00

Source: Reuters, ICICIdirect.com Research

Financial summary

Profit and loss statement		₹ Crore			
(Year-end March)	FY16	FY17	FY18E	FY19E	
Revenue	1,727.0	1,942.5	2,228.6	2,557.8	
Growth (%)	-	12.5	14.7	14.8	
Operating expense	1403.41	1581.92	1793.99	2033.43	
Manpower Cost	97.95	106.78	118.11	135.56	
Admin & other expense	96.3	91.8	117.0	134.3	
Total Expense	1,597.6	1,780.5	2,029.1	2,303.3	
EBITDA	129.4	162.0	199.5	254.5	
Growth (%)	-	25.2	23.1	27.6	
Depreciation	52.1	59.2	66.6	70.4	
EBIT	77.3	102.8	132.9	184.1	
Interest	25.1	30.1	29.7	28.8	
Other Income	7.8	12.2	17.0	23.8	
PBT	60.0	84.9	120.3	179.2	
Growth (%)	-	41.5	41.6	49.0	
Tax	15.4	19.1	36.1	53.7	
Reported PAT	44.6	65.8	84.2	125.4	
Growth (%)	-	47.5	27.9	49.0	
Minority Interest	11.9	15.5	17.8	20.4	
Reported PAT	56.5	81.3	102.0	145.9	

Source: Company, ICICIdirect.com Research;

Balance sheet		₹ Crore			
(Year-end March)	FY16	FY17	FY18E	FY19E	
Source of Funds					
Equity Capital	15.2	15.3	15.3	15.3	
Preference capital	0.0	0.0	0.0	0.0	
Reserves & Surplus	559.8	631.2	714.1	774.2	
Shareholder's Fund	575.0	646.6	729.4	789.5	
Loan Funds	314.6	379.5	329.5	319.5	
Deferred Tax Liability	32.3	39.5	39.5	39.5	
Minority Interest	4.1	4.3	4.3	4.3	
Source of Funds	926.0	1069.8	1102.6	1152.7	
Application of Funds					
Gross Block	583.6	642.3	769.5	846.8	
Less: Acc. Depreciation	51.2	100.6	167.1	237.6	
Net Block	532.4	541.7	602.2	609.0	
Capital WIP	12.3	56.8	59.7	62.6	
Total Fixed Assets	544.7	598.5	661.8	671.7	
Goodwill on consolidation	0.0	0.0	0.0	0.0	
Non-Current Investments	120.4	156.1	130.4	127.6	
Inventories	1.8	2.5	2.4	2.8	
Debtor	325.3	358.4	366.3	385.4	
Cash	10.5	18.7	30.4	46.1	
Loan & Advance, Other CA	55.9	93.3	103.8	119.1	
Total Current assets	393.5	472.9	503.0	553.4	
Current Liabilities	126.3	152.3	183.2	189.2	
Provisions	6.4	5.3	9.2	10.5	
Total CL and Provisions	132.6	157.6	192.3	199.7	
Net Working Capital	260.9	315.4	310.7	353.7	
Application of Funds	926.0	1,069.8	1,102.6	1,152.7	

Source: Company, ICICIdirect.com Research

Cash flow statement		₹ Crore			
(Year-end March)	FY16	FY17	FY18E	FY19E	
Profit after Tax	44.6	65.8	84.2	125.4	
Add: Depreciation	52.1	59.2	66.6	70.4	
Add: Others	0.0	0.0	0.0	0.0	
Cash Profit	137.2	174.2	216.5	278.3	
Increase/(Decrease) in CL	8.1	45.1	-15.3	-42.6	
(Increase)/Decrease in CA	85.9	-43.1	-4.4	-21.2	
CF from Operating Activities	215.8	157.1	160.7	160.7	
Purchase of Fixed Assets	-98.1	-103.2	-130.1	-80.3	
(Inc)/Dec in Investments	-3.1	-15.6	25.8	2.8	
Others	-38.4	-100.9	5.1	-57.6	
CF from Investing Activities	-139.6	-219.7	-99.2	-135.1	
Inc/(Dec) in Loan Funds	35.1	64.9	-50.0	-10.0	
Inc/(Dec) in Sh. Cap. & Res.	-115.7	5.9	0.0	0.0	
Others	0.0	0.0	0.0	0.0	
CF from financing activities	-80.6	70.7	-50.0	-10.0	
Change in cash Eq.	-4.5	8.1	11.5	15.6	
Op. Cash and cash Eq.	15.0	10.5	18.7	30.2	
Cl. Cash and cash Eq.	10.5	18.7	30.4	46.0	

Source: Company, ICICIdirect.com Research

Key ratios		₹ Crore			
(Year-end March)	FY16	FY17	FY18E	FY19E	
Per share data (₹)					
Book Value	75.6	84.4	95.2	103.1	
Cash per share	1.4	2.4	4.0	6.0	
EPS	7.4	10.6	13.3	19.0	
Cash EPS	12.7	16.3	19.7	25.6	
DPS	0.9	1.0	1.0	1.0	
Profitability & Operating Ratios					
EBITDA Margin (%)	7.5	8.3	9.0	10.0	
PAT Margin (%)	2.6	3.4	3.8	4.9	
Fixed Asset Turnover (x)	3.2	3.2	3.4	3.8	
Inventory Turnover (Days)	0.4	0.5	0.4	0.4	
Debtor (Days)	68.8	67.4	60.0	55.0	
Current Liabilities (Days)	28.0	29.6	31.5	28.5	
Return Ratios (%)					
RoE	7.8	10.2	11.5	15.9	
RoCE	9.2	10.7	13.6	18.0	
RoIC	9.0	11.1	14.1	18.9	
Valuation Ratios (x)					
PE	49.4	33.8	26.4	17.7	
Price to Book Value	3.8	3.4	3.0	2.8	
EV/EBITDA	18.7	15.3	12.1	9.4	
EV/Sales	1.4	1.3	1.1	0.9	
Leverage & Solvency Ratios					
Debt to equity (x)	0.5	0.6	0.5	0.4	
Interest Coverage (x)	3.1	3.4	4.5	6.4	
Debt to EBITDA (x)	2.4	2.3	1.7	1.3	
Current Ratio	3.0	3.0	2.6	2.8	
Quick ratio	3.0	3.0	2.6	2.8	

Source: Company, ICICIdirect.com Research

ICICIdirect.com coverage universe (Logistics)

Sector / Company	CMP		Rating	M Cap (₹ Cr)	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
	(₹)	TP(₹)			FY17	FY18E	FY19E	FY17	FY18E	FY19E	FY17	FY18E	FY19E	FY17	FY18E	FY19E	FY17	FY18E	FY19E
Container Corporation	1,400	1,560	BUY	28,637	67.8	62.6	52.2	3.3	3.1	2.9	4.2	4.5	4.0	15.5	12.0	16.0	11.7	9.8	11.7
Transport Corp (TRACOR)	290	335	BUY	2,115	10.6	15.0	20.9	3.4	3.0	2.7	15.3	12.1	9.4	10.7	15.1	19.3	10.7	15.1	19.3
BlueDart	4,120	5,000	BUY	9,742	60.9	61.3	85.6	67.4	66.9	47.9	28.7	25.6	20.5	32.2	29.9	34.4	32.6	25.6	30.9
Gati Ltd.	125	134	BUY	1,039	3.3	4.3	5.1	34.4	26.5	22.3	12.9	13.0	9.4	9.5	10.7	13.8	5.2	7.8	8.5
Gujarat Pipavav (GPPL)	136	140	HOLD	6,768	5.8	5.4	6.1	16.8	16.4	14.1	10.3	10.1	8.9	19.7	19.9	24.0	14.0	13.2	14.3

Source: Company, ICICIdirect.com Research

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Buy: > 10%/15% for large caps/midcaps, respectively;

Hold: Up to +/-10%;

Sell: -10% or more;



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